

Members:

Rep. Peggy Welch, Chairwoman
Rep. Charlie Brown
Rep. Clyde Kersey
Rep. Mark Messmer
Rep. Matthew Lehman
Rep. Michael Murphy
Sen. Ryan Mishler, Vice Chairman
Sen. Mike Delph
Sen. Vaneta Becker
Sen. Lindel Hume
Sen. Richard Young
Sen. Tim Lanane



PROFESSIONAL LICENSING STUDY COMMITTEE

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Authority: P.L. 177-2009

MEETING MINUTES¹

Meeting Date: October 15, 2009
Meeting Time: 10:30 A.M.
Meeting Place: State House, 200 W. Washington St., Rm. 404
Meeting City: Indianapolis, Indiana
Meeting Number: 1

Members Present: Representatives Welch (Chair), Kersey, Lehman, Messmer, Murphy; Senators Mishler (Vice Chair), Delph, Hume, Lanane, Young R.

Members Absent: Representative Brown C., Senator Becker

Chairwoman Peggy Welch called the meeting to order at 10:40 AM. Members introduced themselves. Chairwoman Welch provided a brief introduction to the reason for the Professional Licensing Study Committee's existence. She said that Senator Mishler and herself have become a team working with the Indiana Professional Licensing Agency (PLA) on licensing issues, particularly in the last two years. She said they asked PLA to bring ideas and recommendations before the Committee.

Chairwoman Welch stated that it was the Committee's job to listen and hear the PLA and professionals that would testify and then dialog between them. She also stated that much effort was made to contact as many lobbyists and interested parties as possible representing the professions interested in the meeting. She apologized to those that were not contacted in spite of the best efforts of staff.

Chairwoman Welch then added that she contacted all the legislators that she knew of that were involved in the authoring or sponsoring of a bill that established licensure of a profession to be

¹ Exhibits and other materials referenced in these minutes can be obtained electronically by requesting copies at licrequests@iga.in.gov. Hard copies can be obtained in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for hard copies may be mailed to the Legislative Information Center, Legislative Services Agency, West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for hard copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.in.gov/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

discussed. She apologized to those that she may have inadvertently left out.

Chairwoman Welch then laid out how the meeting would proceed. PLA would give an overview through a slide presentation, other persons interested in the profession being discussed would then be allowed to testify, and then there would be dialog with questions from the Committee members. She asked that all questions be held until after each presentation. She stated that she had no intent to take a vote on a final report, there would be no recommendations, and there would not be any preliminary drafts requested.

The first witnesses to testify were Lisa Bentley (Deputy Director) and Marty Allain (Chief Counsel) of the PLA. She thanked Representative Welch for the opportunity to testify. She mentioned how the PLA "got here" via legislation from the 2009 session. They presented a brief overview on what the PLA does with a PowerPoint presentation (Exhibit A).

Representative Murphy asked how an interior designer is defined and what the educational requirements are for the registration of interior designers.

Mr. Allain replied that all an applicant verifies is that they passed certification by their national organization. Mr. Allain continued that he was not sure of the requirements that an interior designer had to pass to achieve national certification, but ultimately the PLA set up the online registry to attest to that fact.

Representative Murphy asked if the Governor had vetoed interior designer registration last year.

Mr. Allain replied that he did not know.

Chairwoman Welch stated that one of the concerns that people have about the PLA, particularly with so many professions, is that the PLA has become more of a paper-pusher than a regulator. She said that the PLA came into existence long before she was elected to the House of Representatives and asked Ms. Bentley what was envisioned as the true mission of the PLA.

Ms. Bentley responded that PLA's mission is consumer protection, and she said that is usually the legislative intent when adding professions. However, she continued that the difficulty for the PLA occurs when another license is added. She continued that when a license is added the number of PLA staff groups does not expand. She said a new license is folded into an existing staff group, which can sometimes make it more difficult to do the true regulatory function at PLA.

Mr. Allain followed that there are distinctions between the two types of regulation: "proactive" and "reactive". He said PLA is currently more of a "paper processor", which was a term that he said that the Office of Management and Budget used in the 2006 Probe report. He continued that under the "proactive" type of regulation, they simply do not have the staff to go out to do inspections on properly maintained facilities. He said that it is more when something goes wrong that the PLA takes action.

Chairwoman Welch asked if there are other states that have simplified or streamlined their licensing process.

Mr. Allain responded that several states conduct sunset reviews that take a look at their licensing situation more often. He said that Indiana does not currently have a sunset review process.

Senator Lanane stated that the reason we track certain things is that some functions are just so important that we demand minimal levels of proficiency of education from doctors, lawyers, and pharmacists, which requires licensure. He said in other cases, there may not be a basic necessity for protection of the public, but there could be value to the public to be able to find out if a person is a registered or certified professional.

Mr. Allain responded that certification alludes to what he called "title protection," where a person cannot practice without being nationally registered to practice.

Senator Lanane said that protection can be the basis for certification because we "want to know where these people are" in case there is a problem later.

Mr. Allain replied that PLA has to consider tracking certified persons, but also must consider all the standards for justifying the certification of a certain profession. One of the standards he mentioned was protection to the consumer.

Senator Hume asked who establishes what is an acceptable continuing education course a person can take.

Mr. Allain responded that the vast majority of professional licenses do not have continuing education as a condition of renewal. He said that for those that do, it would either be where the national association is pinpointed either in statute or rule as an approved body or an independent board would approve the continuing education.

Senator Hume said that there seems to be some effort to include training programs whether they add true value or not to a person serving in a profession. He asked if Mr. Allain thought it might be good to have some type of review of continuing education, where a person could take several courses over a period of time instead of requiring a certain amount of hours taken during a year.

Mr. Allain said that the vast majority of continuing education is established by independent boards so there is that mechanism to look at what is necessary. He said that a lot of the education is broad and that PLA does not have third-party review to look at where this education is attained. He thought having third-party review of courses could be something to consider for Indiana.

The Chair, Ms. Bentley, and Mr. Allain briefly discussed that the PLA generated about \$16 M in revenue in a given year and has a budget of about \$5.5 M per year.

Mike Smith of the State Budget Agency stated that the balance of revenue generated by the PLA remains in the state General Fund.

Chairwoman Welch noted that if the PLA had more money, not necessarily keeping all of the \$16 M but more of it, then they could do more regulation than currently.

Ms. Bentley and Mr. Allain agreed. They said they can take more money in by raising a fee, but since all the fee revenue cannot be kept, raising the fee does not help the PLA.

Representative Murphy talked about licensing protecting the public versus protecting the profession. He said he has not seen where a bill to license a profession was not brought by the profession themselves seeking licensure. He said that it could be attributed to creating a barrier to enter a profession instead of protecting the public. He said that "Angie's List" probably serves better to protect the public than the state could do. He said that he is amazed that a real estate agent must have continuing education but a doctor does not.

Elimination of Controlled Substance Advisory Committee (CSAC)

The Chair directed the PLA to begin their recommendations. Mr. Allain went through the slides from Exhibit A with regard to CSAC. Phil Wickizer, PLA director to the Board of Pharmacy, discussed the current role of CSAC. He stated that the CSAC is not really an effective consumer protection tool in its current state. He said the CSAC is fighting inefficiency.

He also said that discipline and economic development are two problems that have developed. He said from an economic standpoint that job creation can be held up if a Controlled Substance Registration (CSR) is not issued in time, due to stretched out meeting times (once every two months). He stated that a drug treatment center had to wait four months to receive a CSR, causing various problems to the public. He added that revoking a license for disciplinary matters takes three duplicate steps, which can take up to six months.

Mr. Allain said a practitioner with a revoked license may still be in the process of having their CSR revoked, and therefore still capable of obtaining controlled substances legally.

Josh Klatte, program manager, spoke about the Indiana Scheduled Prescription Electronic Collection and Tracking program.

Representative Lehman asked if there are any professions regulated by the state and certified by a national organization that do not need a state license to practice anymore.

Mr. Allain replied that that already takes place with dieticians having national accreditation but sign up with the state for tracking purposes only.

Representative Lehman expressed concern, using his insurance license as an example, that given there is no national license, would there be any cause to worry about eliminating a state license if a national certification was not already in place.

Mr. Allain said that the CSAC has 10 to 12 members that attend business meetings regularly with a cost of \$25,000 annually, which would be equivalent to a case manager salary. He mentioned the acupuncture and optometric legend drug prescription advisory committees as examples of similar committees eliminated in recent years.

Chairwoman Welch said that the protection of the consumer is of utmost concern. She asked if due process issues could occur for accused doctors and pharmacists by eliminating the CSAC.

Mr. Allain replied that there would be no due process issues. He mentioned that removing much of the delay would help make due process more swift.

Elimination of Hypnotist Committee-

The Hypnotist Committee was discussed next. The recommendation for its disbandment was addressed by Mr. Allain and Ms. Angela Smith Jones, PLA director to the Hypnotist Committee (refer to Exhibit A). Ms. Smith Jones testified that one action has been taken against Mr. Tim Scherer for false advertising as a psycho-therapist in addition to being a hypnotist. She said generally complaints are forwarded by other hypnotists and not by the consumer.

Mr. Allain said that the only other states with some form of hypnotist licensing are Connecticut and Washington, which are voluntary. Ms. Smith Jones continued that there are several national accreditation organizations such as the National Association of Transpersonal Hypnotherapists (NATH), the American Hypnosis Association (AHA), and the American Council of Hypnotist Examiners (ACHE) that certify and provide protection to consumers. She said that

some of these organizations mention their requirements online. She said that Indiana has the strictest regulations. She said ACHE certification allows the practitioner to obtain direct billing and insurance quicker than with state certification. She said the Hypnotist Committee does not meet at all. She said that since there are so few certifications issued, her staff forgets what to do compared to the volume of public interest, which is very low. She said reeducation of staff every six months takes resources when testing occurs. Mr. Allain inferred that this license is being used for title protection and not consumer protection.

Representative Murphy commented that the hypnotist regulation bill was one of the two silliest bills that had ever been considered in his 15 years as a state representative. He said that when the original bill was adopted 12-13 years ago that each person seeking certification had to be a member of one of the four national associations for hypnotists. He said that it was clearly an attempt to collect dues.

Chairwoman Welch said that she had contacted former State Senator Robert Meeks (original author of the hypnotist certification bill), and he had told Chairwoman Welch that one point raised in the past three years was that no consumer complaints had been made, but that he was told that complaints were made to the Attorney General and nothing happened. She asked AG representative David Miller to discuss that concern.

Mr. Miller described that they received one complaint that was handled administratively. He said they were not aware of any ongoing interest.

Hearing Aid Dealers Committee Merger with Speech/Language Therapists Board

Following hypnotists, hearing aid dealers were discussed. Ms. Valerie Jones, director to the Hearing Aid Dealer Board, said the board meets four times per year. She described what takes place during the meeting. She said usually the board's time is taken by administering examinations for license applicants. Mr. Allain assured members that nothing would change with the testing of hearing aid dealers, but that there would just not be a separate board administering the testing. Mr. Allain noted that the Government Efficiency Commission recommended the merger.

Jim Purucker and Allen Reese, representing the Indiana Hearing Aid Alliance, stated that the Committee of Indiana Hearing Aid Dealers (CHAD) provides a very important function by licensing and bringing new people into the industry. They said their biggest concern would be in the make-up of a new board with speech therapists. They emphasized that the consumer's best interest and benefit is more important than a turf battle with another profession.

Mr. Purucker looked for assurance that a merged board [with speech therapists] would not put up market barriers for hearing aid dealers. He stated that 45 other states have separate hearing aid and speech therapist boards. He said if the matter were an issue of the cost to operate separate boards, hearing aid dealers would be willing to have increased licensing fees. He mentioned that providing testing at private expense could help the state to administer this board. He said that the complaint standard would also affect the audiology board as well. Mr. Reese said he was from Plymouth, Indiana, and became a hearing aid dealer in 1969. He said that he has been a member of CHAD for about 20 years and that they cut their budget by fifty percent by going from four to two meetings. With regards to board costs, he said that costs were for his hotel bill twice per year and per diem for five members. He said it was a minimal cost for him to administer tests. He mentioned Minnesota's troubles with combining their boards. He said audiologists administering Minnesota's board were not passing competent hearing aid dealers. He said if the two boards must be combined, then he requested equal membership.

Debra Liebrich representing the Indiana Speech Language and Hearing Association (ISLHA) said she was a PhD audiologist. Dr. Liebrich stated that she was not taking a position, but stated that her main concern was maintaining autonomy between the two boards. She said she felt that hearing aid dealers are not educationally qualified to examine audiologists.

Senator Hume asked about the topic of the latest continuing education course Mr. Reese had taken.

Mr. Reese replied that the course discussed new instrumentation that is coming up, such as new circuits that control whistling in hearing aids better than before. He said that continuing education equates to 20 hours every two years.

Senator Hume asked who determines the education requirements.

Mr. Reese replied the National Board of Certified Hearing Aid Specialists (NBCHS) determines the education requirements.

Senator Delph asked the PLA about giving up seats on a combined board and what their position was on that.

Mr. Allain responded that it was not uncommon for other professions to not have representation on licensing boards, but it provides the same level of consumer protection. He said the Pharmacy Board is an example of that. He also mentioned that addiction counselors were merged last year, and business cannot be conducted concerning addiction counselors unless one member representing addiction counselors is present.

Senator Delph asked Mr. Allain if he shared the same concern as the persons testifying on behalf of the hearing aid dealers.

Mr. Allain responded that he did not.

Chairwoman Welch asked if the PLA was aware of the Minnesota situation.

Mr. Allain said he was not personally aware of the Minnesota situation and said it should be looked into.

Dr. Liebrich said that Maine has no hearing aid dealers on their board. She said having representation on a joint board is a very difficult thing for audiologists given that a hearing aid dealer has no experience in audiology.

Mr. Reese said their position is similar to having separate boards for real estate brokers and bankers.

Combining Barber Examiners with Cosmetology Board

The next PLA recommendation is to combine the cosmetology and barber professions. Mr. Allain said that the barber board costs about \$10,000 to \$12,000 per year to operate. Tracy Hicks, barber board director, explained the differences in the instructor's licenses. She said that there would be a simplification in the licensure process if the two boards were combined into one. She said that under one board, a person would no longer have to hold two different instructional licenses for either barbering or cosmetology.

Following the PLA testimony, no one came forward to testify on behalf of barbers or cosmetologists.

Elimination of Environmental Health Specialist Registration

Ms. Jones and Mr. Allain explained that environmental health specialists (EHS) examine pests, soil, water, asbestos, and are involved in lead testing and other environmental safety areas. Mr. Allain said that the registration is voluntary. It was explained that many EHSs apply only for National Environmental Health Association (NEHA) membership and bypass the state registration. He said that this was an example of voluntary title protection. He said that the interaction common between other professions and the public does not exist with this profession.

Chairwoman Welch asked about being certified by NEHA and having to get Indiana certification to get an NEHA certification, but other states that do not have any regulation may go get an NEHA certification only.

Ms. Jones replied that persons in states without licensure go straight to NEHA certification. She said sometimes individuals choose not to license in Indiana and go to another state, instead, to take the NEHA examination and then register with Indiana.

There were a couple of questions about where EHSs work. Ms. Jones said they generally work for local health departments and private industry. Ms. Jones said that NEHA does not provide tracking information on their members.

Merging of Land Surveyors with Professional Engineers

Mr. Allain stated that land surveyors had been part of the Engineering Board since 1962 until separation in 1991.

Ms. Smith Jones said that several individuals hold both a surveyor and engineer registration. She said that as a result, it would be easy to find enough representation for land surveyors on a combined board.

Mike O'Brien, representing the Society of Professional Land Surveyors, and John McNamara and Phil Beer voiced their opposition to a combined board, but also agreed on some points to having a combined board.

Mr. McNamara identified himself as the St. Joseph County Surveyor. He said he served on the joint board of engineers and surveyors from 1989 to 1991. He continued that surveyors were willing to pay extra fees, from \$30 to \$200, to maintain a separate board. He said the state had the fee at \$200 but lowered it to \$100. He said the surveyors would still support a cost increase to keep a separate board. He also said that the PLA turns over \$11 M dollars per year in revenue.

Chairwoman Welch said that was not the PLA's choice. She said the law requires licensing fee revenue to be placed in the state General Fund.

Mr. McNamara continued that the national trend to combine boards is not accurate. He said most wish they had separate boards. He said the surveying is a profession of societal necessity, as it assures property rights.

Mr. Beer stated that Purdue University continues its surveying program in the Geospatial Sciences Division. Vincennes University, IUPUI, and IUPUI have surveying programs. He said that more than one-third of current registrations have occurred since 2000. He said the most significant aspect between surveying and engineering is that engineers are not attuned to the determination of property lines.

Mark Downey of the Board of Registration of Professional Engineers said that his board had minor discussions about a possible merger. He stated that the opinion was that not enough facts favored either a position for or against a merger. He said, as a person registered as both an engineer and surveyor, he recognized the distinct differences between surveyors and engineers. He said a typical meeting of the Engineering Board has two-and-one-half pages of agenda and may take at least six hours to complete.

He said a merger would require more meeting days in order to cover the agenda for both engineers and surveyors. He said if more meeting days were required that he was not certain if a merger would save money. He said if a merger was to occur, he wanted to see both professions protected by legislation, to make sure both professions were represented. However, he warned that a merged board could not be expected to have 16-hour days and be effective.

Removal of Dietician's Certification

The PLA personnel testified that to have an Indiana license, a dietician must be registered as a dietician by the American Dietician Association and that the license requirements are actually duplicated in state law. The amount of hours of training were given.

Bill Cameron and Margaret Reardon with the Indiana Dieticians Association (IDA) testified that removing certification would be going against national trend. They stated that 46 states have some form of certification of dieticians. They added that many states progress to full licensure and that little staff time and money are saved.

Ms. Reardon continued that about 1,131 of 1,200 members of the IDA are certified with the state. She said half of the members hold a masters or higher degree. She said since dieticians serve in many capacities, other states have recognized the need for licensure. As she showed the Committee her own certificate, she said that the public deserves to know that people have the proper credentials in the medical/health field.

Ms. Reardon concluded her testimony by saying that the PLA, using the rationale of redundant activity as its argument for board elimination, is short-sighted. She said that rationale would be detrimental to the health of Hoosiers. She added that if a separate board cannot remain, then she hoped that certification would continue for professionalism purposes. She said that just because there are few complaints, that should not be a reason to dismantle a board. She said that problems with insurance coverages could result from the removal of an oversight board. She said that removal of the board would also eliminate an annual average revenue stream of \$22,000.

The Chair and witnesses discussed that the Dieticians Board, although required to meet two times per year, had not met more than once in the last five years. When asked why more meetings had not occurred during the five years, the answer was that there was no business to conduct. Chairwoman Welch finally asked that if Indiana did not have certification, what would be the implications to Medicaid. The answer was that no certification would not affect Medicaid; however, there would be an increase in costs to notify every certified dietician of the change.

The Chair asked if dieticians can self-write orders for patient care regarding nutrition or if a doctor had to. The response was that unless licensed, a dietician would not be able to write patient orders.

Representative Murphy asked about the educational requirements of a dietician.

Sean Gorman, director of the Dietician's Board, said a degree from an accredited American

university or the foreign equivalent as determined by the board was required in order to practice as a dietitian in Indiana.

Representative Murphy asked about the continuing education requirements. He asked if dietitians have to prove anything or verify taking continuing education.

Mr. Gorman replied that dietitians only need to provide proof under a random audit.

Representative Murphy suggested that what is good for the citizens should take precedence over how much money the state can get with licensure or certification fees. He then asked if a national registration process could assess members and give out “good housekeeping” seals of approval. He said that would be more valuable than Indiana regulating them. He said Indiana does some things right, but not many things.

Ms. Reardon replied that consumers would think differently.

Mr. Allain responded that he was not sure that looking at full licensure is good for the consumer. He mentioned that surgical technicians have to be nationally accredited but are not required to be licensed in Indiana.

Representative Lehman asked why only a certain percentage of dietitians choose certification.

Ms. Reardon said that her best guess was that a lot of dietitians are stay-at-home mothers, and large numbers of them may have let their certification lapse.

Representative Lehman replied that it seems like dietitians rely more on national accreditation. He also added that this should be revisited if there is trouble with Medicaid reimbursement.

Senator Lanane asked if dietitians work in tandem with doctors.

Ms. Reardon said a little bit of both cases occur [working with and without doctors].

Representative Murphy asked if it were necessary to have state certification for Medicaid reimbursement, or would it be just as quick to check the national registry.

Ms. Reardon said that capability does not exist online.

Health Facility Administrators

The Chair then turned back to PLA to present on health facility administrators (HFAs). Jeanette Roberts, director of the Health Facility Administrator Board, reported that the consumer complaint process for HFAs stems from the Indiana State Department of Health (ISDH) and surveys are sent to the Attorney General. The PLA would revoke licenses if necessary.

Mr. Allain again impressed on the Committee that the PLA is a reactive and not a proactive agency.

Jim Leich then testified and presented a handout (Exhibit B) containing his written testimony.

Bob Tucker, with HOPE, stated that he was neutral based upon observation of board meetings being more administrative and not disciplinary. He said he did not know how much influence PLA staff has on a particular board.

Becky Carter with the Indiana Assisted Living Association testified that residential care

administration is completely under the states to regulate. She said going to a single regulator does not serve the consumer well. She said there is a need for checks and balances that does not completely involve the ISDH. She said there should be another set of eyes to look things over.

Dennis Leary confined his comments to just opposition to the removal of the board.

Chairwoman Welch asked if there are problems and complaints in other states.

Mr. Allain responded that there has not been much change except for where a board is housed. He said there has not been any real funding shifts.

Brian Carnes with the State Department of Health said that the ISDH does not have a position at the time and said there is a need to set up a meeting with the PLA to discuss this proposal.

Elimination of Home Inspectors Licensing Board

Following the conclusion of discussion on HFAs, the Chair asked for the Home Inspectors Board to be discussed. Nicholas Rhoad, director of the Home Inspectors Board, joined Mr. Allain and stated that home inspectors being in membership in a private professional association would do a much better job of protecting the consumer than what the state currently does with the existing board.

Following the testimony of Mr. Rhoad, several persons representing the home inspector practice came forward and provided some information about their membership. The persons were Ralph Worth, Orin Taylor, Don Osborne, and Houser Cantor, all representing the American Society of Home Inspectors (ASHI). Included in their comments were the number of active licenses (479), four complaints which required disciplinary action, and that 34 states have some type of regulation of home inspectors. Their position was that there had not been a huge cry from the public for licensure; however, they believed they got the licensure law in place just in time before serious problems started.

They said that state, federal (such as FHA), and private insurance agencies look to licensed home inspectors. They provided the cost of membership to ASHI. They dismissed the cost of the license as a barrier to practice. They stated that research of other states indicates that Indiana fees are right in the middle. They said home inspectors do not see this as a barrier, except perhaps that the fees are collected on a biennial basis. They said that the national association would not be able to discipline problem inspectors. They listed several benefits to having licensure and said that revenue exceeds operational costs of the license. They concluded that the license meets the public purpose. They said that inspectors go into people's houses and that deregulation would send a mixed message at a critical time.

Sally Johnson with the Indiana Association of Realtors (IAR) said that her organization strongly recommends in their guidelines to consumers to have an inspection done before purchasing a home. She said it takes two-and-a-half-hours for a typical inspection to be completed. She said that it provides protection as not only does a seller have to sell the home to the buyer, but they are also trying to sell the home to the inspector as well.

She said that she was glad that there were limited complaints. But she reminded the Committee that the license is young in its establishment. She warned that complaints could increase if the license were eliminated.

Professor Steve Keeney of Louisville, Kentucky, testified that he was professor of learning instruction in home inspections. He said he was a lawyer and held a home inspectors license in

Kentucky.

He suggested by removing the existing license that Indiana would stand out as the only state removing its protections. He said that most boards start off with two directives. The first, he said, is to get those that are not licensed off the streets. Secondly, he said the goal is to raise the bar of the professionalism of the industry. He said as a result, if a state is achieving these two goals with their board, then it would be inconsistent to receive more complaints and equate the additional complaints with success.

Professor Keeney provided a brief history of home inspectors regulating themselves. He said that it did not take long before the federal government had to pass the HUD code in 1976. He said that there were mixed protections in self-regulation of home inspectors. He mentioned that ASHI, the National Association of Home Inspectors (NAHI), and the International Association of Certified Home Inspectors (INACHI) had different standards of practice that were of self-interest and not oriented to consumer care.

He commended the Committee on taking the first step to establish a board. He urged Indiana to take the next step and add authority to police and enforce the law. He urged a more coordinated effort such as a public affairs campaign to make the public aware. He urged the state to continue to raise the bar and to remember that most victims of fraud are the young first-time home buyers and the very old.

Ralph Worth with the NAHI said that the industry is so unique that government boards are necessary to ensure the consumer is protected. He said that the Indiana board needs time to make it work. He added that Kentucky and Illinois have boards and Michigan and Ohio have introduced legislation to establish boards in those states. He said Indiana has a good law by placing the standards solidly in the statutes that benefits the consumer.

Chairwoman Welch asked if there are many complaints against "hobby" inspectors.

Dan Mainerd responded that lots of states have checked with their Attorneys General and could not come up with a good solid number of complaints. Professor Keaney suggested that following the litigation will give an idea of how many complaints have occurred. He said that according to a study, 40% fewer homes that were inspected defaulted on loans than those that were not.

Chairwoman Welch asked if the IAR checks to make sure home inspectors are licensed.

Ms. Johnson replied that consumers are strongly suggested to call the legal hotline to check.

Mr. Worth added that the Realtor Board puts into sales contracts the use of licensed home inspectors.

Representative Murphy asked about complaints in new home builds.

Ms. Johnson replied that she did not know the level of inspections in new builds.

Gretchen White representing the Homebuilders Association said she did not have precise numbers but would ask her association members.

Representative Murphy asked Ms. Johnson how she would feel about the Home Inspector Board being merged into the Real Estate Board.

Ms. Johnson replied it would be acceptable, as long as licensing and regulation of home

inspectors remained.

Representative Messmer commented from personal experience with unlicensed home inspectors that there is a drastic difference in quality of service being provided to the public, and the board is well-serving in its current form.

Co-Chairman Senator Mishler said that one issue as a licensed practitioner (funeral director) is enforcement. He said that we pay for these licenses, but if allowed to lapse and practice continues, only the local prosecutor can take action against the practitioner.

Mr. Allain replied that was correct and that the PLA has no jurisdiction over an unlicensed person practicing a licensed profession.

Senator Mishler asked if PLA had any plans going forward on enforcement.

Mr. Allain replied that if the PLA had the resources to do enforcement, then they would. He added that the PLA was currently not in the position of other states to have this power.

After the discussion concluded, Chairwoman Welch thanked the members of the Committee for working through one meeting as that would help conserve the taxpayer dollars. She said she would appreciate feedback from the members after reviewing the minutes from the meeting. The meeting was adjourned by Chairwoman Welch at 3:10 PM.